

**Additional information under art. 12, par. 1, item 4
of Ordinance №2 from 09 November 2021 of
“Sopharma” AD as of 31.12.2023**

1. Information about changes in accounting policies during the reporting period, the reasons for them and how they affect the financial results and equity of the issuer.

- The individual financial statements of “Sopharma” AD have been prepared in accordance with all International Financial Reporting Standards (IFRS), which comprise Financial Reporting Standards and the International Financial Reporting Interpretations Committee (IFRIC) interpretations, approved by the International Accounting Standards Board (IASB), as well as the International Accounting Standards (IAS) and the Standing Interpretations Committee (SIC) interpretations, approved by the International Accounting Standards Committee (IASC), which are effectively in force on 1 January 2016 and have been accepted by the Commission of the European Union.
- More detailed information about the Company's accounting policies can be found at 2.1. Basis of preparation of the individual financial statements in the notes to the individual interim financial statements for the period 1 January 2023 – 31 December 2023.

2. Information about changes in the economic group of the issuer as of 31.12.2023:

During the period, Biopharm Engineering AD (transforming company) was merged into Sopharma AD (acquiring company) through the legal form of transformation regulated in the Commercial Law. The merger was entered in the Commercial Register of the Registration Agency on 23.08.2023. As a result of the transaction, all assets of Biopharm Engineering AD are transferred to Sopharma AD, and Biopharm Engineering AD is terminated without liquidation.

On 23.01.2023, a contract for transformation by merger was signed between Sopharma AD (acquiring company) and Biopharm Engineering AD (transforming company), which regulates the manner in which the transformation will be carried out. The fair price of the shares of the companies participating in the conversion was determined on the basis of the generally accepted valuation methods, based on which the exchange ratio of 2,73 was formed.

The conversion agreement and the auditor's report were approved by the General Meeting of shareholders of the acquiring company on 04.08.2023.

The purpose of the transaction on the transformation of the two companies was:

- restructuring of the companies in the Sopharma group in order to eliminate duplicate activities;
- focusing efforts on production and commercial activities, respectively, to optimize administrative costs;
- increasing efficiency and achieving a synergistic effect both for the management and performance of production and commercial activities, as well as for cost optimization.

3. Information about the results of organizational changes within the issuer, such as restructuring, sale of companies from the group, in-kind contributions from companies, rental property, long-term investments, closure of business:

As of 31 December 2023 the tangible fixed assets of the company include:

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from 01.01.2023 to 31.12.2023.*

In case of divergence Bulgarian text should prevail.

As of December 31, the lands and buildings of the Company are as follows:

- Buildings with carrying amount of BGN 84,335 thousand (31.12.2022: BGN 92,240 thousand);
- Land of BGN 39,719 thousand (31.12.2022: BGN 48,731 thousand).

The company's other tangible fixed assets as of 31 December include:

- Vehicles with carrying amount of BGN 4,118 thousand (31.12.2022: BGN 2,665 thousand);
- Inventory with carrying amount of BGN 1,292 thousand (31.12.2022: BGN 1,320 thousand);
- Biological assets (carriers) with carrying amount of BGN 472 thousand (31.12.2022: BGN 524 thousand).

The cost of acquisition of tangible fixed assets as of December 31, 2023 include:

- Advances granted for the purchase of machinery and equipment – BGN 2,458 thousand (31 December 2022: BGN 2,468 thousand);
- Expenses on new buildings construction - BGN 1,116 thousand (31.12.2022: BGN 1,503 thousand);
- Reconstruction of buildings -25 thousand (31.12.2022: BGN 511 thousand);
- Other - 20 thousand (31.12.2022: BGN 45 thousand).

As of December 31, 2023 the carrying amount of property, plant and equipment includes machinery and equipment, purchased using grant agreements under Operational Programme "Development of the Competitiveness of the Bulgarian Economy 2007–2013" and operational program "Energy Efficiency" (Note 31), as follows:

- for tablet production facility at the amount of BGN 5,267 thousand (31.12.2022: BGN 6,021 thousand);
 - compact line for filling vials under an insulator - 3,562 (31.12.2022: 3,895 thousand BGN).
 - for ampoule production at the amount of BGN 2,627 thousand (31.12.2022: BGN 3,032 thousand);
 - machines and equipment for the production of infusion solutions - none (31.12.2022: BGN 916 thousand).
 - exchange installations for ventilation and climatization for the production of medical products at the amount of BGN 413 thousand (31.12.2022: BGN 474 thousand);
 - for the production of innovative "artificial tears" eye drops of value BGN 107 thousand (31.12.2022: BGN 133 thousand);
- "Sopharma Warsaw" EOOD

The carrying amount of the investments by company is as follows:

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		31.12.2023	Interest	31.12.2022	Interest
		BGN '000	%	BGN '000	%
"Sopharma Trading" AD	Bulgaria	64,295	87.68	63,248	87.25
"Sopharma Ukraine" EOOD	Ukraine	9,669	100.00	9,669	100.00
"Sopharma Warsaw" EOOD	Bulgaria	6,807	100.00	6,754	99.98
"Veta Pharma" AD	Ukraine	6,754	99.98	1,283	100.00
"Vitamini" AD	Bulgaria	1,283	100.00	961	89.39
	Kazakhsta		89.39		100.00
"Pharmalogistica" AD	n	961		502	
"Sopharma Kazakhstan" EOOD	Bulgaria	502	100.00	384	100.00
"Electroncommerce" EOOD	Poland	384	100.00	323	100.00
Total		90,655		83,124	

As of December 31 2023, investments in subsidiaries also include investments in the subsidiaries Sopharma Poland OOD - in liquidation, Poland and Fito Palauzovo AD, which are fully depreciated (31.12.2022: fully depreciated investments in Sopharma Poland OOD - in liquidation, Poland and Fito Palauzovo AD). In 2023, there is a newly established company Sopharma Rus OOO, Russia (31.12.2022: no newly established company).

4. Opinion of the governing body regarding the feasibility of the published estimates of the results for the current financial year, taking into account the results of the current quarter as well as information on the factors and circumstances that will affect the achieving of the projected results for at least the next quarter - management does not provide forecasts.

5. For public companies - data on persons holding directly or indirectly at least 5 percent of the voting rights of the General Meeting at the end of the quarter, and changes in ownership of those voting rights for the period from the beginning of the current financial year to the end of the reporting period:

SHAREHOLDERS	31.12.2023		31.12.2022	
	Shares	%	Shares	%
„Donev Investments Holding“ AD, UIC 831915121, Sofia, Positano Str. №12	66 570 976	38.57%	35 559 169	27.86%
„Telecomplect Invest“ AD, UIC 201653294, Sofia, Slaveikov Square № 9	27 881 287	16.15%	27 881 287	20.68%
„Sopharma“ AD, UIC 831902088 Sofia, Iliensko Shosse Str. №16	14 328 336	8.30%	13 055 000	9.68%

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6. For public companies - data about the shares held by the issuer's management and supervisory bodies at the end of the respective quarter as well as the changes that occurred for the period from the beginning of the current financial year to the end of the reporting period for each individual:

	31.12.2023	31.12.2022
Members of the Board of Directors		
	Number of shares	Number of shares
1. Ognian Ivanov Donev	14 441 613	6 608 350
2. Vessela Liubenova Stoeva	150	150
3. Bissera Nikolaeva Lazarova	30 000	-
4. Alexandar Viktorov Tchaoushev	390 422	262 442
5. Ivan Venetskov Badinski	2 030	2 030
6. Simeon Ognianov Donev	195 450	195 450

7. Information on pending judicial, administrative or arbitration proceedings relating to liabilities or receivables amounting to at least 10 percent of the equity of the company - none.

8. Information on the loans granted by the issuer or its subsidiary, by their subsidiaries, the collateral provided or the liabilities assumed in total to one person or its subsidiary, including related parties, indicating the names or titles and UIC of the person, the nature of the relationship between the issuer or its subsidiaries and the borrower, the amount of outstanding principal, interest rate, date of conclusion of the contract, including additional agreements, repayment period, amount of commitment, specific conditions other than those specified in this provision , as well as the purpose for which they are granted, in case they are concluded as targets:

The information is contained in Note 21, 22, 24 and 25 to the individual financial statements.

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